

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department- M/s White Field Paper Mills Limited – Setting up of a 2,00,000 TPA Paper Mill at Bayyavaram, Tallapudi Mandal, West Godavari district – Extension of time limit to achieve the financial closure by 31st March, 2015 – Orders – Issued.

INDUSTRIES AND COMMERCE (IP & INF) DEPARTMENT

G.O.MS.No. 201

Dated: 04-12-2014

Read the following:

1. G.O.Ms.No.323, Ind. & Com. (IP) Dept., Dt: 30.5.2006.
2. G.O.Rt.No.1227, Revenue (Assn.VII) Dept,
Dt: 30.05.2006.
3. From, the Commissioner of Industries, A.P., Hyderabad,
Letter dt: 05.03.2013.
4. SCN through Govt. memo No.9074/IP/A1/2012,
Dt: 19.10.2013.
5. From M/s White Field papers Mills Ltd Letter dt: 30.10.2013 &
27.10.2014.

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O R D E R :

In the reference 1st read above, Government of Andhra Pradesh issued orders permitting M/s. White Field Paper Mills Limited to set up a paper industry under Industrial Investment Promotion Policy 2005-10.

2. In the G.O.2nd read above issued orders alienating Government land to an extent of Acs. 203.00 in Bayyavaram Village and an extent of Acs. 68.35 cents in Tupakulagudem village both in Tallapudi Mandal, West Godavari District to M/s White Field Paper Mills Limited.

3. The Commissioner of Industries, A.P., Hyderabad in the reference 3rd read above reported that the General Manager, DIC, West Godavari District visited the site location of M/s White Field Paper Mills on 19-12-2012 and inspected the progress of works at the site and furnished his report.

4. Government examined the report of the Commissioner of Industries and observed that:

(i) M/s. White Field Paper Mills Limited has not achieved the Financial closure of the company in December 2007 as stipulated in G.O. Rt. No.323, Ind. & Com.(IP) Dept., Dt:30.05.2006.

(ii) The company has not kept up its commitment as given in the Memorandum of Understanding to commence commercial production from December, 2008. This is in spite of lapse of 7 years though many other paper industries have completed their projects.

5. Accordingly, a Show-cause notice dated 19.10.2013 was issued to M/s. White Field Paper Industries Ltd to Show-cause as to why Government orders issued in the, G.O.Ms.No.323, Ind. & Com (IP) Dept. dated 30.5.2006 sanctioning the incentives, and in G.O.Rt. No.1227, Revenue (Assn.IV) Department, Dt: 30.5.2006 allotting the land should not be cancelled.

6. M/s. White Field Paper Mills Limited has vide letter dt:30.10.2013 has stated that they have already invested nearly Rs.50 crores, so far on this mega project and are serious in their resolve to implement the project and reiterated their commitment to deliver their obligations. They have requested extension of validity for a further period of two years to achieve commercial production taking into consideration their efforts in implementing the project

(P.T.O)

under Sector Specific SEZ. They have also submitted the following reasons for non-completion of the project:

- (1) Non linkage of fuel (Coal & or Gas) as their applications for the same are still pending with Government of India.
- (2) Non allotment of II Phase land (required for project for stock yards, finished product godowns & residential township development), by the Government of Andhra Pradesh.
- (3) Non-issue of orders by the Government of A.P., exempting from payment of land conversion fee, for the I phase land allotted to them (271.35 acres) recommended by D.C. VSEZ Ministry of Commerce Govt. of India.
- (4) Global recession since October, 2008 first in US then spread to Europe and then in India which affected capital attraction to green field projects like their unit.

7. In the letter 5th read above, M/s White Field Paper Mill Limited furnished the action proposed to be taken for implementation of the project. They requested to extend the time of implementation of the project to achieve financial closure. The project provides direct and indirect employment to over 10,000 people besides resulting in economic development of the State in general and of the region in particular. They requested to grant extension of time for implementation of the project.

8. Government after careful consideration of the request of M/s White Field Paper Mills Limited hereby extend the time only up to 31st March 2015 for achieving financial closure in the first instance. If the promoter fails to achieve financial closure the land allotted will be automatically resumed from the company without any further notice and the same will be utilized for promoting other industries on merits. If they achieve financial closure by 31.03.2015 then they are given a further time of 18 months up to 30.09.2016 to fully execute the project.

9. The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation and the Commissioner of Industries are directed to monitor the progress of the project and submit report by 31.03.2015 to the Government regarding the achievement of financial closure by the company in the first instance.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.S.V.PRASAD
PRINCIPAL SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director,
A.P. Industrial Infrastructure Corporation Limited, Hyderabad
The Commissioner of Industries, Hyderabad.
The M/s White field Paper Mill Limited through COI.
Copy to:
The P.S. to Principal Secretary to C.M.
PS to Principal Secretary to Government & CIP., Ind & Com Deptt.
Sf/sc.

//FORWARDED: : BY ORDER//

SECTION OFFICER